

Larry E. Craig, Chairman
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No. 95

Legislative Notice

Editor, Judy Gorman Prinkey

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S. 2279 — Wendell Ford National Air Transportation System Improvement Act

Calendar No. 515

Reported from the Committee on Commerce, Science and Transportation on July 30, 1998, with an amendment in the nature of a substitute. S. Rept. 105-278

NOTEWORTHY

- S. 2279 is before the Senate and has been amended by a managers' (Senator McCain and Ford) amendment in the nature of a substitute. This Notice reflects these changes.
- A unanimous consent agreement was reached last evening limiting amendments. [See possible amendments.]
- The bill provides a two-year authorization for most programs of the Federal Aviation Administration (FAA), including operations, facilities and equipment, and the Airport Improvement Program (AIP). It also includes funding for aviation safety and security improvements. (S. 2279, as reported, provided a four-year authorization.)
- In addition, the bill contains provisions to promote a competitive aviation industry, including the addition of slot exemptions at major airports in New York, Chicago and Washington, limited exemptions to the perimeter rule, and increased air service to underserved small communities.
- S. 2279 also includes provisions to curb the harmful effects of excessive commercial air tour overflights of national parks.
- The House passed a one-year FAA and Airport Improvement Program reauthorization bill on August 5, 1998.

BACKGROUND

Titles I through V of the bill reaffirm the commitment of the Committee to ensure that the United States continues to have the safest and most efficient air transportation system in the world. They reauthorize the major programs within the FAA, which are divided into operations, facilities and equipment, research, engineering and development, as well as the Airport Improvement Program (AIP). Title VI addresses Committee concerns with the need to ensure that the airline industry remains competitive and that small communities receive air service. Title VII incorporates legislation to address air tour operations over our National Parks.

HIGHLIGHTS

- The bill (as modified by the managers' amendment) provides a two-year authorization for the programs of the Federal Aviation Administration (FAA), including facilities and equipment, operations and the Airport Improvement Program (AIP). S. 2279, as reported, would have reauthorized these programs for four years.
- If no action is taken, the AIP will expire on September 30, 1998 and airports will not receive their federal grants. The bill establishes contract authority for the program and without this authority, the FAA cannot distribute airport grants.
- Approximately \$2 billion is authorized to be spent annually on safety and security improvements, as well as capacity enhancements. Included is a provision to authorize the FAA to carry out a project for testing and evaluation of innovative airport security systems.
- Title II amends various provisions of the Airport Improvement Program. It would remove the \$300 million "cap" on the discretionary fund, and an innovative airport funding program would be extended and expanded. Small airports would be allowed greater flexibility in the local matching share ratio so that local communities could contribute more toward a federally funded project. The set-aside for noise innovation would be increased from 31 to 35 percent.
- The bill includes several provisions to enhance competition in the airline industry based on Senator McCain's Aviation Competition Enhancement Act (S. 1331); Senator Frist's Air Service Improvement Act (S. 1353); and the Air Service Restoration Act (S. 1968), which was sponsored by Senators Ford, Rockefeller, Dorgan, Hollings, and Harkin.

Key provisions include the following:

- Slot exemptions would be provided for nonstop regional jets to fly to and from so-called underserved communities and the slot-controlled airports (O'Hare, LaGuardia, and JFK).
- The slot exemptions for nonstop regional jets must be approved by the Secretary of Transportation for service between a nonhub airport, a small hub, or a medium hub airport and three of the high-density airports (O'Hare, LaGuardia, and JFK).

- At Reagan National Airport, DOT would grant limited exemptions to the perimeter rule by distributing 12 newly created slot exemptions for long-haul flights beyond the perimeter. Also, there would be 12 newly created slot exemptions for air service to small and medium communities within the perimeter. Carriers can only use Stage-3 aircraft, which meet strict noise requirements, for any of the new operations at Reagan National. The new service will result in only one or two new flights per hour at the airport.
- New slot exemptions (at press time, anticipated to be 30) would be created at Chicago-O'Hare over the next three years. Before granting any of the exemptions, DOT is to consult with local officials, and to study and report on the environmental considerations, including a determination that there is no significant increase in noise.
- Additionally, the revised bill directs the Secretary to study and report on the community noise levels in the areas surrounding O'Hare, Reagan National, LaGuardia and JFK once the national 100-percent Stage-3 requirement comes into effect in 2000.
- A four-year pilot program would be created to help small communities attract improved air service. It is designed to facilitate incentives and projects that will help communities improve their air access to business markets, through public-private partnerships.
- Another four-year pilot program would be established to broaden federal contract tower program eligibility through a federal/local cost sharing partnership at certain airports not currently meeting the required benefit/cost ratio.
- Title VII contains the consensus legislation developed by Chairman McCain to regulate the overflight of national parks by air tour operators (S. 268). The provisions affect only commercial air tour companies, which are already subject to federal aviation regulations.
- Title VIII creates the Centennial of Flight Commission to help the nation commemorate the Wright brothers' first flight at the beginning of this century.

ADMINISTRATION POSITION

There was no Administration Position at press time.

POSSIBLE AMENDMENTS

By unanimous consent, only the following amendments are in order to the bill, and only for the time designated for each amendment. Relevant second-degree amendments are in order.

Pending is the Inhofe amendment No. 3620 relating to FAA emergency license removal. When the Senate resumes consideration of the bill, there will be 10 minutes for debate on the Inhofe amendment followed by a vote on the amendment.

McCain/Ford. Manager's amendment.
 McCain. Relevant (5 minutes, equally divided).
 Hollings. Relevant (5 minutes, equally divided).
 Gorton. Relevant (5 minutes, equally divided).
 Ford. Relevant (5 minutes, equally divided).
 Bingaman. Overflights, bolster Native Americans' role (30 minutes, equally divided).
 Boxer. Relevant.
 Daschle. Two, relevant.
 DeWine. S.O.S. (10 minutes, equally divided).
 Dorgan. Regional jet tax incentives (2 hours, equally divided).
 Dorgan. Mandatory interline and joint fare agreements (2 hours, equally divided).
 Faircloth. S.O.S. (5 minutes, equally divided).
 Feinstein. National Airport perimeter slots.
 Harkin. Relevant.
 Harkin. Slots.
 Landrieu. Relevant.
 Lott. Relevant.
 Moynihan. Airport Improvement (1 hour, equally divided).
 Mikulski/Sarbanes. 3 amendments: Reagan National, slots, and perimeter rule (30 minutes each, equally divided).
 Thompson. Criminal penalties for airmen who fly without a certificate.
 Torricelli/Lautenberg. Quiet Communities Act (S. 951) (1 hour, equally divided).
 Torricelli. Relevant.
 D'Amato/Moynihan. DOT issue slot exemptions at JFK Airport (10 minutes, equally divided).
 Lott/Frist/Moynihan. Limit eligible airport size for regional jet section and Reagan National commuter slots (10 minutes, equally divided).
 Reed. Noise at Rhode Island airport (15 minutes, equally divided).
 Reed. Code-sharing notice (15 minutes, equally divided).
 Robb. Reagan National Airport, slots and perimeter rule (1 hour, equally divided).
 Warner. Prohibit new Reagan National slots and perimeter rule exemptions until MWAA nominees confirmed by Senate (1 hour, equally divided).
 Warner. Notice, comment and hearings before proceeding with Reagan National slots and perimeter rule exemptions (1 hour, equally divided).
 Wyden. Death on high seas (45 minutes, equally divided).
 Domenici. Regarding Taos.
 D'Amato. Travel agents (20 minutes, equally divided).
 Coats. National Airport slots.
 Daschle. Relevant.

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